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February 17, 1999

SENT VIA FEDERAL EXPRESS

Magalie Roman Salas, Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, DC 20554

re: Massachusetts Department of Telecommunications and Energy's Petition for Waiver of
Section 52.19 to Implement Various Area Code Conservation Methods in the 508, 617,
781, and 978 Area Codes

Dear Ms. Salas:

Enclosed for filing in the above matter please find one original and five copies of the
Massachusetts Department of Telecommunications and Energy's Petition for Waiver of Section
52.19 to Implement Various Area Code Conservation Methods in the 508, 617, 781, and 978
Area Codes. Kindly stamp one copy and return it to us in the enclosed stamped, self-addressed
envelope.

Sincerely,

Karen J. Reed
Karlen J. Reed, Esq.

KJR/kr
Enc.

cc: Al McCloud, Common Carrier Bureau, Network Services (w/enc.)
Jared Carlson, Common Carrier Bureau, Network Services Division (w/enc.)
Attached Service List (w/enc.)



The Commonwealth of Massachusetts
DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY'S
PETITION FOR WAIVER OF SECTION 52.19 TO IMPLEMENT VARIOUS AREA CODE
CONSERVATION METHODS IN THE 508, 617, 781, AND 978 AREA CODES

Commonwealth of Massachusetts
Department of Telecommunications and Energy

Janet Gail Besser, Chair
James Connelly, Commissioner
W. Robert Keating, Commissioner
Paul B. Vasington, Commissioner
Eugene J. Sullivan, Jr., Commissioner

100 Cambridge Street, 12th Floor
Boston, MA 02202
617-305-3500

Dated: February 17, 1999



Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY'S
PETITION FOR WAIVER OF SECTION 52.19 TO IMPLEMENT VARIOUS AREA CODE
CONSERVATION METHODS IN THE 508, 617, 781, AND 978 AREA CODES

The Massachusetts Department of Telecommunications and Energy ("Department") respectfully requests that the Federal Communications Commission ("Commission" or "FCC") waive the provisions of 47 C.F.R. Section 52.19(c)(3) and grant the Department additional authority to implement various area code conservation measures in the 508, 617, 781, and 978 area codes in eastern Massachusetts. The Department requests this additional authority as part of its ongoing area code relief plan investigation and area code conservation investigation for these area codes. The waiver is intended to be used to minimize consumer confusion and expense associated with introducing new area codes for the second time in two years in Massachusetts.

I. BACKGROUND

On January 23, 1997, the Department ordered a geographic split of the 617 and 508 area codes to create two new area codes, 781 and 978, to be fully implemented beginning May 1, 1998. On March 4, 1998, the North American Numbering Plan Area Code Administrator, Lockheed Martin IMS ("Lockheed"), notified the Department that, because of an unexpectedly high demand for new exchange codes, the 508 and 617 area codes were again in jeopardy of exhausting the available supply of exchange codes. On April 24, 1998, the Department opened

an investigation into code conservation measures to evaluate ways to delay the need to introduce new area codes in Massachusetts (Area Code Conservation, D.T.E. 98-38 ("D.T.E. 98-38")).

On May 12, 1998, Lockheed notified the Department that the new 781 and 978 area codes were also in a jeopardy condition. On May 18, 1998, Lockheed filed its relief plans for the 508 and 617 area codes. On September 28, 1998, the Commission issued a Memorandum Opinion and Order in which it outlined state commission authority to order the implementation of exchange code conservation methods. In the Matter of Petition for Declaratory Ruling and Request for Expedited Action on the July 15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 312, 610, 215, and 717: Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, FCC 98-224, NSD File No. L-97-42 (published November 16, 1998, Fed. Reg.) ("Pennsylvania Opinion"). On October 27, 1998, the Department filed a Petition for Reconsideration of the Pennsylvania Opinion. This petition is currently under consideration by the Commission.

On October 29, 1998, Lockheed filed its relief plans for the 781 and 978 area codes. On January 11, 1999, the Department opened an investigation, docketed as Area Code Relief, D.T.E. 99-11, to review alternative area code relief plans proposed by Lockheed for the 508, 617, 781, and 978 area codes in eastern Massachusetts. On January 19, 1999, Lockheed filed revisions to the May 18, 1998, 508 and 617 relief plans. On January 26, 1999, the Department modified the on-going conservation docket, D.T.E. 98-38, to allow for an adjudication on the issue of rate center consolidation. On February 2, 1999, Governor A. Paul Cellucci of the Commonwealth of

Massachusetts sent a letter to FCC Chairman William E. Kennard formally requesting the Commission to grant the Department's waiver requests for additional code conservation authority.¹ On February 12, 1999, the Department filed a petition with the Commission for a waiver of 47 C.F.R. Section 52.19(c)(3)(i) to allow consideration of a technology-specific overlay for the 508, 617, 781, and 978 area codes.

II. FEDERAL AREA CODE CONSERVATION REQUIREMENTS

On September 28, 1998, the Commission issued its Pennsylvania Opinion in response to a petition for declaratory ruling from several wireless carriers² and request for expedited action on the July 15, 1997 order of the Pennsylvania Public Utility Commission regarding four Pennsylvania area codes ("July 15, 1997 Order"). In the Pennsylvania Opinion, the FCC concluded that:

- (1) state commissions have the authority to order NXX code rationing only in conjunction with area code relief decisions where the industry has not reached a consensus on a rationing plan;

¹ Governor Cellucci asked the Commission to grant the Department authority to (1) order thousands-block number pooling in Massachusetts by the end of 1999, (2) set the standards for allocation of exchange codes for a more efficient use of the numbering resources, (3) maintain some central office code rationing measures even after implementation of area code relief, (4) require return of unused exchange codes, (5) hear and address claims of carriers seeking additional exchange codes outside of the rationing plan, and (6) allow Massachusetts to consider a technology-specific overlay. See Governor Cellucci's letter to Honorable William E. Kennard, dated February 2, 1999 (Attachment "A").

² The Petition for Declaratory Ruling was filed jointly by Nextel Communications, Inc., Sprint PCS, Vanguard Cellular Systems, Inc., 360 Communications Company and Bell Atlantic Mobile. Opinion at para. 55.

- (2) the Common Carrier Bureau ("CCB") of the FCC may delegate additional authority to state commissions to implement experimental number conservation efforts;
- (3) the Pennsylvania Commission exceeded its jurisdiction in its July 15, 1997 Order;
- (4) the July 15, 1997 Order disfavored wireless carriers because these carriers could not participate in required number conservation measures (number pooling); and
- (5) the North American Numbering Council ("NANC") must advise the FCC in 60 days whether the state commissions or Lockheed should decide whether a carrier subject to an NXX code rationing plan should receive NXXs outside of the rationing plan.

Pennsylvania Opinion at par. 54.

These rulings have severely restricted the Department's abilities to conserve exchange codes and extend the lives of the existing area codes.

III. DISCUSSION

The Department respectfully requests that the Commission grant it the authority for the 508, 617, 781, and 978 area codes to:

1. reclaim unused and reserved exchange codes;
2. maintain the current central office code rationing measures for at least six months after implementation of all the area code relief plans;
3. revise rationing procedures;
4. hear and address claims of carriers seeking additional codes outside of the rationing plan;
5. set code allocation standards;
6. institute thousand number block pooling;
7. implement Extended Local Calling Areas;
8. implement Inconsistent Rate Centers; and
9. implement Unassigned Number Porting.

Exchange codes are being exhausted with increasing speed, and Massachusetts is faced with creating four new area codes within just two years of creating two area codes.

Massachusetts is an extremely competitive telecommunications marketplace, and carriers are

requesting, and under the current numbering allocation system, being granted, more exchange codes than the current area codes can accommodate. Allowing the Department to investigate and implement a full array of area code conservation measures will help mitigate the need for additional area codes. Whether a given area code conservation method would unreasonably discriminate and unduly inhibit competition in Massachusetts can be best explored by state regulators on the basis of their knowledge of local market conditions. Given the disruptions, inconvenience, and costs that consumers bear with the introduction of new area codes, state regulators should have the option of weighing the benefits of delaying the need for new area codes against the possible disadvantages of various area code conservation methods.

A. Reclaim unused and reserved exchange codes

1. Unused exchange codes

The Department requests the Commission to grant the Department the authority to require reclamation to the area code administrator of unused exchange codes or thousands number blocks from carriers with excess number resources. A recent survey by the Department revealed that carriers are holding over five million excess telephone numbers which could be used to extend the lives of the existing area codes.

On September 15, 1998, members of the telecommunications industry ("Industry members") asked the Department to calculate the number of free 1000s NXX-X code blocks currently held by the exchange code holders. The Industry members advised the Department that this information was to be used in negotiations with the Attorney General for the Commonwealth of Massachusetts ("Attorney General") concerning code conservation

measures. The Industry members and the Attorney General asked the Department to disclose (1) the total number of respondents, (2) the total number of free 1000s number blocks, and (3) the breakdown of those number blocks according to the 508, 671, 781, and 978 area codes. On September 17, 1998, the Department issued its Notice of Revised Procedural Schedule and its Second Set of Information Requests on the Industry Proposal ("Second Request") to all parties to Area Code Conservation, D.T.E. 98-38 ("D.T.E. 98-38") and to the exchange code holders requesting information on free 1000s number blocks.

The response was astounding. Over 5200 free thousands blocks (i.e., 5,200,000 telephone numbers) were being held by the 21 carriers who responded to the survey. The breakdown by area code was 1340 free thousands blocks in the 508 area code, 700 free thousands blocks in the 617 area code, 1476 free thousands blocks in the 781 area code, and 1684 free thousands blocks in the 978 area code. The Department noted that (1) this report represented an estimate of the available free thousands blocks because the number constantly changes due to customer demands and the existing lottery process, (2) the carriers provided this information with varying accumulation dates, and (3) these responses were submitted to the Department as of October 16, 1998. The Department notes that there may be many more unused numbers in "contaminated" thousands blocks.

During a question and answer period with Jim Deak, the regional director of the Number Planning Area relief planning for Lockheed, in a recorded, unsworn technical session conducted in the Department's offices on June 1, 1998 ("June 1, 1998 Tech Session"), in conjunction with the Department's conservation docket, Area Code Conservation, D.T.E. 98-38 ("D.T.E. 98-38"),

Mr. Deak advised the Department that the area code administrator has the obligation to seek out the return of unused numbering resources under NANPA guidelines (June 1, 1998 Tech Session, Testimony of Jim Deak, pages 45-46 ("Attachment B")). Thus, the authority exists to be delegated to state commissions to reclaim unused numbering resources.

Shortly after the Department tallied the survey results, the Commission issued its September 28, 1998 Pennsylvania Opinion, thus negating the Department's ability to use this information on free thousands number blocks for conservation purposes. Given the need for numbers and the availability of unused numbers, the Department requests the authority from the Commission to reclaim unused thousands number blocks from code holders with excess reserves.

2. Reserved exchange codes

The Department requests the authority to reclaim reserved exchange codes from the incumbent local exchange carrier, Bell Atlantic-Massachusetts. Theoretically, there are 792 NXX codes available for assignment to carriers in an area code (every possible combination of three digits excluding numbers beginning with a 0 or 1 and numbers ending with 11). However, a meaningful percentage of exchange codes (sometimes 30 to 50) are set aside for the incumbent local exchange carrier for testing, special codes, and other purposes. The Department would like additional authority to investigate whether any of these reserved exchange codes can be placed in the carriers' pools for allocation, without causing disruption to Bell Atlantic's network operations.

B. Maintain the current central office code rationing measures.

The Department requests the Commission to give the Department authority to maintain the current central office code rationing measures until six months after implementation of area

code relief in all four area codes (508, 617, 781, and 978), including the authority to determine all aspects of how central office codes shall be assigned pursuant to that rationing plan. A similar waiver was granted to California (NSD File No. L-98-136, DA 98-2463, Order December 1, 1998). This authority will be used to delay another declaration of jeopardy immediately following implementation of the relief plans, which is what happened in Massachusetts after the implementation of the 781 and 978 area codes.

C. Revise rationing procedures

The Department respectfully requests authority to revise the rationing procedures now in effect, if necessary, to prolong the life of existing area codes. Currently, exchange codes are being rationed according to the following procedures agreed to by the industry:

- 6 codes each month in the 508 area code
- 6 codes each month in the 617 area code
- 8 codes each month in the 781 area code
- 10 codes each month in the 978 area code

The authority to revise this rationing procedure will allow the Department more flexibility to extend the lives of the existing area codes while long-term numbering solutions are developed.

D. Hear and address claims of carriers seeking additional codes

The Department requests the Commission to give the Department the authority to hear and address claims of carriers seeking additional exchange codes and to work with the area code administrator to ensure that those carriers unable to serve their customers acquire additional exchange codes outside of the rationing plan, until area code relief is implemented in the 508, 617, 781, and 978 area codes. This would include the authority to request whatever information

617, 781, and 978 area codes. This would include the authority to request whatever information the M.D.T.E. deems necessary to review a carrier's request for additional exchange codes outside of the current rationing measures. A similar waiver was granted to Pennsylvania (NSD File No. L-97-42, DA 98-2465, Order September 28, 1998, FCC Clarification Letter dated December 2, 1998).

E. Set code allocation standards

The Department requests the Commission to grant the Department the authority to set the standards for allocation of exchange codes to manage numbering resources more efficiently. Included in this is the authority to address fill rate and inventory level requirements. The Department believes that, in a non-jeopardy situation, NANPA accepts a carrier's request for exchange codes on face value and makes no assessment of the actual need for additional exchange codes. Under questioning by Commissioner Vasington, Jim Deak brought this to the Department's attention during the June 1, 1998 Tech Session (June 1, 1998 Tech Session. Testimony of Jim Deak, page 21, lines 4-12 ("Attachment "C")).

F. Institute thousands number block pooling

The Department requests the Commission to grant the Department the authority to institute thousands number block pooling, including virtual pooling, in a non-discriminatory manner. Currently, Massachusetts carriers, by industry agreement, are voluntarily following virtual pooling procedures. However, there is no certainty that all carriers are following the procedures, nor has there been any independent determination that the procedures being

On October 21, 1998, the North American Numbering Council ("NANC") released its recommendations on national number pooling standards to the Chief of the Common Carrier Bureau ("Bureau") (Number Resource Optimization Working Group Modified Report to the North American Numbering Council on Number Optimization Methods ("NRO-WG Report")).

In the NRO-WG Report, NANC stated :

The NANC believes thousands-block pooling can be implemented in 10 to 19 months from a regulatory order, and that thousands-block pooling is the pooling option that has the greatest potential to meet the timeframe requested by the Bureau. Therefore, we recommend that the FCC focus its initial efforts on thousands-block pooling.

NRO-WG Report at 1.

Clearly, thousands-block pooling represents a viable solution to conserving numbering resources. However, development of mandatory national thousands-block pooling guidelines could take considerable time. Therefore, the Department requests additional authority to implement its own thousands number block pooling requirements in advance of any federal rules.

G. Extended Local Calling Areas

The Department requests additional authority to implement Extended Local Calling areas ("ELCAs"). As stated in the NRO-WG Report:

ELCAs are technical arrangements that permit wireline callers from a pre-determined, fixed, geographic area, typically a LATA, to call CMRS end-users anywhere in that geographic calling area without a toll charge. The wireline provider differentiates and treats calls to ELCA end-users by unique ELCA NXXs. Thus, existing dialing, routing and operational systems' conventions remain intact. The CMRS carrier usually pays the wireline carrier a negotiated per minute rate for this services. LECs record this usage at the wireline calling party's end-offices. At the end of the billing period, usage for all end offices within the ELCA is aggregated and a bill is rendered to the CMRS provider.

NRO-WG Report at 25. ELCAs allow wireless carriers to assign numbers from a single NXX to

an entire geographic area, such as a LATA. Instead of needing NXXs for multiple rate centers, wireless carriers can serve an entire LATA with one NXX. According to the NRO-WG Report, ELCAs have been deployed in multiple jurisdictions since the 1980s. The Department requests the authority to implement ELCAs as a possible number conservation measure.

H. Inconsistent Rate Centers

The Department requests the authority to implement Inconsistent Rate Centers ("IRCs"). Under an IRCs approach, competitive local exchange carriers ("CLECs") would use different rate center boundaries than the incumbent local exchange carrier ("ILEC"). CLECs, which may have much larger switch serving areas than an ILEC, can choose to serve multiple ILEC rate areas or create one or more IRCs to match the CLEC switch serving area. In this way, IRCs allow a CLEC to use fewer NXX codes for its service areas. As noted in the NRO-WG Report at 33, "IRCs conserve NXX codes since [CLECs] using IRCs do not require a separate NXX per ILEC rate area in order to serve all customers." The Department requests the authority to implement IRCs as a possible number conservation measure.

I. Unassigned Number Porting

The Department requests additional authority to implement Unassigned Number Porting ("UNP"). As stated in the NRO-WG Report:

[UNP] is a telephone number (TN) sharing and/or optimization method where available TNs in one service provider's (SP) inventory are ported (using the Location Routing Number (LRN) method) to another SP. This is performed under the direction of a neutral third-party coordinator, for assignment by the second SP to a specific customer.

UNP differs from pooling in that TNs are not donated to a pool but are transferred

directly from one SP to another SP under the direction of a neutral third-party coordinator. The UNP neutral third party acts as a coordinator rather than an administrator, whereas there are additional administrative responsibilities involved under pooling.

UNP will be utilized to provide numbers to a service provider who has insufficient numbers available for assignment for a specific customer request for service within a given rate area basis.

NRO-WG Report at 119. The Department believes that UNP is already being used, with Lockheed approval, by certain carriers during the current rationing period. The Department requests additional authority to implement UNP as an additional tool to conserve numbering resources.

IV. CONCLUSION

The Department has opened an investigation into area code conservation focusing on rate center consolidation, and has opened an investigation into area code relief for the 508, 617, 781, and 978 area codes in eastern Massachusetts. We have not made any substantive findings on what code conservation methods are appropriate for each area code at this time. However, we would like to have a full range of options available to us as we consider ways to conserve exchange codes and delay the need for Massachusetts consumers to undergo the disruption and inconvenience that comes with introducing new area codes.

We share the Commission's commitment to the development of competitive telecommunications markets in which all potential technologies will have an opportunity to succeed. To best serve the needs of Massachusetts consumers and respond to the increasing demand for exchange codes, we seek a waiver from 47 C.F.R. Section 52.19(c)(3) and additional

authority to allow implementation of the nine code conservation methods for the 508, 617, 781, and 978 area codes described herein.

Respectfully submitted,

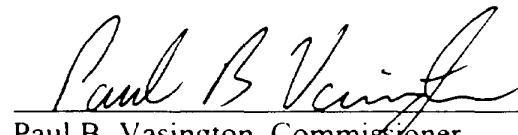
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ARGEO PAUL CELLUCCI
GOVERNOR

JANE SWIFT
LIEUTENANT GOVERNOR

February 2, 1999

The Honorable William E. Kennard
Chairman, Federal Communications Commission
The Portals
445 12th Street
Washington, D.C. 20554

Dear Chairman Kennard:

I am writing to you on behalf of the citizens of the Commonwealth of Massachusetts, who are deeply concerned about the costs, disruption, and inconvenience of having to introduce new area codes for the second time in two years. Massachusetts introduced two new area codes in May 1998, via a geographic split of both the 617 and 608 area codes in eastern Massachusetts. Even as those area codes were being implemented, the Massachusetts Department of Telecommunications and Energy (DTE) was notified by Lockheed Martin, the North American Numbering Plan Administrator (NANPA), that all four of the eastern Massachusetts area codes were already in jeopardy of exhausting the available supply of exchange codes, and, therefore new area codes would again be needed. The NANPA has indicated that one of our area codes will run out of exchange codes in the second quarter of 2000, which means that there is a pressing need for aggressive action in Massachusetts to avoid new area codes.

With four area codes in eastern Massachusetts, there are roughly 30 million phone numbers available for assignment. With a statewide population of just over 6 million, 30 million numbers far exceeds our needs for the foreseeable future. Clearly, we have more than enough telephone numbers. The problem is that area codes exhaust, not because of the inefficient way that exchange codes are distributed to telephone companies in blocks of 10,000 numbers. We need to find ways to change the distribution system, so that customers are not burdened with the consequences of the industry's inefficient rules.

The DTE has been evaluating area code conservation measures in order to determine whether steps can be taken to delay the need to introduce new area codes. However, because of the impending exhaustion of our exchange codes in second quarter 2000, the DTE also has begun the process of determining whether an overlay or a geographic split should be used for new area codes, in the event that code conservation measures are not sufficient. Aggressive area code conservation measures are the only hope for changing the system in time to help Massachusetts customers, but recent action by your agency has severely limited our ability to solve the problem.

It is my understanding that a recent decision by the Federal Communications Commission (FCC) has reduced the possibility of delaying the need for new area codes by limiting the code conservation mechanisms available to the DTE. I was encouraged, however, to learn that the FCC recently approved waiver requests from California and Pennsylvania, allowing them to evaluate and possibly implement certain code conservation measures. The DTE will be making a similar request to the FCC soon, and I urge you to act favorably on that petition. In particular, I request that you approve the DTE's request for authority to take the following steps:

- Order thousands-block number pooling in Massachusetts by the end of this year. The North American Number Council recently stated that thousands-block number pooling can be implemented in 10 to 19 months of a regulatory order. As noted above, in order to avoid exhausting exchange codes, Massachusetts needs to have new area codes in place by the second quarter of 2000, which means that the area codes must be implemented several months earlier. Therefore, a regulatory order to require thousands-block number pooling must be issued as soon as possible in order for it to have any impact in Massachusetts.
- Set the standards for allocation of exchange codes to manage more efficiently numbering resources. Included in this is the authority to require that carriers use a high percentage of the numbers already allocated to them before asking for new exchange codes.
- Maintain some central office code rationing measures even after implementation of area code relief, including the authority to determine all aspects of how central office codes shall be assigned pursuant to that rationing plan.
- Require return of unused exchange codes or thousands number blocks from carriers with excess number resources.
- Hear and address claims of carriers seeking additional exchange codes and work with the area code administrator to ensure that those carriers unable to serve their customers acquire additional exchange codes outside of any rationing plan.

In addition, the DTE on April 24, 1998 asked the FCC to allow states to consider a technology-specific overlay reg an overlay of new area codes only for wireless services, which current FCC rules prohibit. The DTE has renewed that petition. I ask you to approve that request as well. As the DTE noted in its petition, the question whether a technology-specific overlay would be unreasonably discriminatory and would unduly inhibit competition should be answered by state regulators on the basis of their knowledge of local market conditions.

I understand the importance of the E.O. oversight of numbering resources in terms of promoting the worthwhile policy goals of competition and deregulation. We have long shared these goals here in Massachusetts. However, I strongly encourage you to allow Massachusetts to be a laboratory for implementing code conservation measures that have the potential to solve the

Letter to Chairman Kennard

problem of how numbers are distributed. Each state has unique circumstance and marketplace conditions that should be taken into account in how numbering resources are distributed. Massachusetts, with an economy largely reliant on Information Age technologies, should be free to take innovative steps to ensure that telephone numbers are distributed in a way that promotes competition without unduly inconveniencing customers.

Thank you very much for your time and consideration on this issue, and please feel free to contact me or the DTE Commissioners if you have any questions or comments.

Sincerely,


Argeo Paul Cellucci